

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 692 – SB 639

March 24, 2009

SUMMARY OF BILL: Requires the Department of Financial Institutions to conduct a survey of interest rates and fees charged to consumers by commercial entities regulated by the department and to compare such rates and fees charged to those charged to similar institutions and entities in other states. The department is to report the results of the survey to the 106th General Assembly by January 15, 2010.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$179,800/One-Time

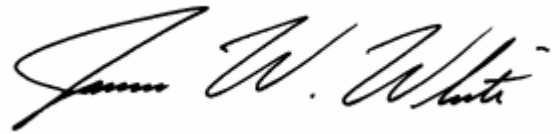
Assumptions:

- The survey required by the bill would comprise 5,401 entities regulated by the Department of Financial Institutions.
- According to the Department of Financial Institutions, two bank financial analysts' positions and one legal assistant position would be required to develop and forward the survey, collect, compile and interpret the survey results, and to prepare the survey results into a readable format.
- According to the Department of Financial Institutions, these positions would be temporary appointments pursuant to Department of Personnel Rule 1120-2-.10 (6) which defines a "temporary appointment" as an appointment to an executive service position for a limited period, usually less than six months and does not require the use of certificates or lists.
- The positions would no longer be required after completion of the survey on January 15, 2010.
- The positions, including salary and benefits, for the two bank financial analysts would result in a cost of approximately \$60,459 each, for a total cost of approximately \$120,918.
- The cost of the legal assistant position, including salary and benefits, is estimated to be \$56,303.

- Costs for printing and envelopes, in addition to mailing costs for forwarding the survey and return postage expenses, are estimated to be approximately \$2,568.62 (5,401 entities x \$.42 postage + \$300.20 paper and envelopes).
- Total one-time increase in state expenditures is estimated to be \$179,800 ($\$120,918 + \$56,303 + \$2,568.62 = \$179,789.62$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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